

# ACACIA'S MUNICIPAL MARKET UPDATE



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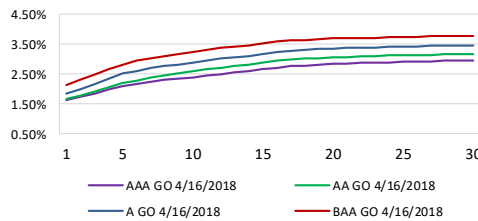
## MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell 4 basis points to 2.40%, while the 30-year AAA MMD remained unchanged at 2.96%.
- The municipal bond volume for the week of April 16<sup>th</sup> is approximately \$7.7 billion of long-term bonds, consisting of \$5.9 billion in negotiated deals and \$1.8 billion in competitive sales.
  - The current new issue supply is down approximately 26.4% from the supply level this time last year.
- Municipal bond funds saw outflows of \$244.7 million in the week ended April 11<sup>th</sup>, following outflows of \$247.1 million in the week prior.
- Currently, Fed Funds futures are predicting an 88% chance of the Fed raising rates at the June meeting.
- This week's major economic indicators include housing starts, the Fed Beige Book, industrial production, and jobless claims.

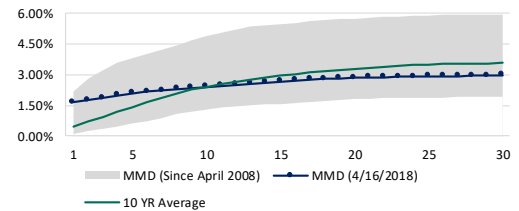
## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Term	Taxable			Swap Rates		
	AAA	AA	A	BAA		UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.64%	1.67%	1.85%	2.12%	1 Yr	2.123%	2.24%	1 Mo/1 Wk	1.894%	1.720%	90.813%
2 Yr	1.74%	1.79%	2.01%	2.31%	2 Yr	2.390%	2.54%	3 Mo	2.355%	-	-
3 Yr	1.86%	1.93%	2.18%	2.50%	3 Yr	2.528%	2.67%	6 Mo	2.503%	-	-
4 Yr	1.98%	2.07%	2.35%	2.67%	5 Yr	2.680%	2.99%	1 Yr	2.514%	1.655%	65.831%
5 Yr	2.09%	2.19%	2.51%	2.82%	7 Yr	2.774%	3.19%	5 Yr	2.814%	2.034%	72.281%
10 Yr	2.40%	2.04%	2.89%	3.24%	10 Yr	2.816%	3.40%	10 Yr	2.866%	2.198%	76.692%
30 Yr	2.96%	3.18%	3.47%	3.79%	30 Yr	3.002%	3.69%	30 Yr	2.896%	2.427%	83.805%

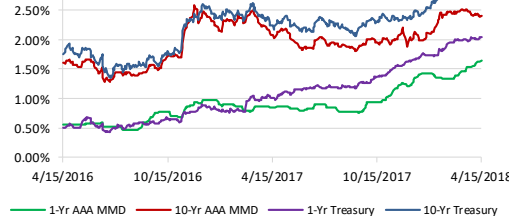
MMD Yield Curves



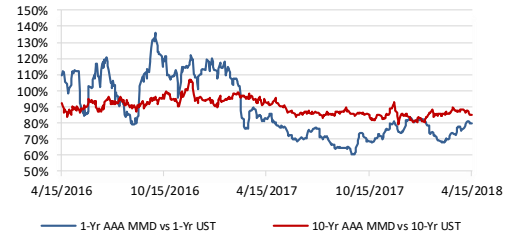
MMD Yield Range



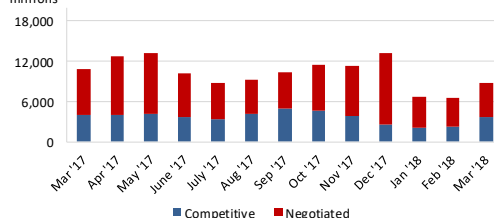
AAA MMD vs UST



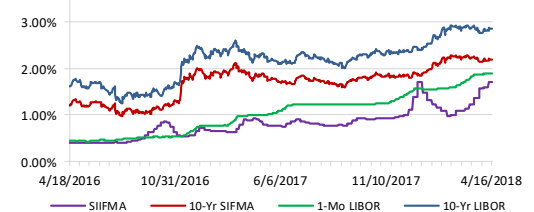
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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